

Message Text

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SUBJECT:QUEBEC VEHICLE REGISTRATION FEE AND NO-FAULT
INSURANCE

1. THE CANADIAN PROVINCE OF QUEBEC HAS TAKEN THE POSITION
THAT PAYMENT OF THE QUEBEC COMPULSORY NO-FAULT INSURANCE
FEE IS PREREQUISITE TO THE REGISTRATION OF U.S. MILITARY
VEHICLES. IN PAST YEARS THE USAF UNIT AT BOGATVILLE,
QUEBEC, HAS REGISTERED ITS THREE MILITARY VEHICLES AND FIVE
TRAILERS AT A COST OF 2.50 DOLLARS EACH, CONSIDERING IT
A DE MINIMUS MATTER. THIS YEAR, HOWEVER, THE ANNUAL COST
OF REGISTRATION HAS BEEN INCREASED TO 123 DOLLARS FOR EACH
VEHICLE AS A RESULT OF THE NO-FAULT INSURANCE REQUIREMENT.

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2. NATO STATUS OF FORCES AGREEMENT (SOFA) ARTICLE XI,
PARA 2(C) PROVIDES THAT "SERVICE VEHICLES OF A FORCE OR
CIVILIAN COMPONENT SHALL BE EXEMPT FROM ANY TAX PAYABLE
IN RESPECT OF THE USE OF VEHICLES ON THE ROADS." IN
ADDITION, SECTION 23 OF THE CANADIAN VISITING FORCES ACT
STATES: "NO TAX OR FEE IS PAYABLE IN RESPECT OF THE
ICENSING OR REGISTRATION OF SERVICE VEHICLES OF A VISITING

FORCE OR IN RESPECT OF THE USE OF SUCH VEHICLES ON ANY ROAD IN CANADA." WE ARE ADVISED THAT THE CANADIAN FORCES JUDGE ADVOCATE GENERAL, IN AN OPINION DATED 15 NOVEMBER 1974,

CONCLUDED THAT PAYMENT OF FEES FOR REGISTRATION OF NATO MILITARY VEHICLES IN QUEBEC CONSTITUTES A BREACH OF SECTION 23 OF THE VISITING FORCES ACT. FURTHERMORE, IN VIEW OF THE PROVISIONS OF ARTICLE V, PARA 2 OF NATO SOFA, IT CAN BE ARGUED THAT SERVICE VEHICLES OF A VISITING FORCE ARE EXEMPTED ENTIRELY FROM VEHICLE REGISTRATION REQUIREMENTS OF THE RECEIVING STATE, BEING REQUIRED ONLY TO CARRY THEIR OWN REGISTRATION NUMBER AND A DISTINCTIVE NATIONALITY MARK.

3. EFFORTS HAVE BEEN MADE BY HQ ADCOM/JA AND THE USAF COMMANDER AT BAGOTVILLE TO RESOLVE THE PROBLEM. THEY HAVE SOUGHT A WAIVER OF THE REGISTRATION REQUIREMENT FROM LOCAL AUTHORITIES TO NO AVAIL. THEY HAVE CONSIDERED PUTTING U.S. GOVERNMENT PLATES ON THE VEHICLES BUT HAVE BEEN TOLD BY QUEBEC AUTHORITIES THIS WOULD NOT SATISFY THEIR LAW. QUEBEC AUTHORITIES HAVE INDICATED THEIR WILLINGNESS TO ISSUE QUEBEC PLATES TO THE USAF OF THE SAME KIND ISSUED TO FOREIGN MISSIONS WITHOUT PAYMENT OF THE NORMAL REGISTRATION FEE. THE NO-FAULT INSURANCE FEE, HOWEVER, WOULD STILL BE REQUIRED. THIS IS NOT AN ACCEPTABLE SOLUTION. SINCE 1 APRIL THE USAF COMMANDING UNCLASSIFIED

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OFFICER AT BAGOTVILLE HAS REFUSED TO PERMIT AIR FORCE OFFICIAL VEHICLES TO LEAVE THE BASE SINCE THEY ARE NOT IN COMPLIANCE WITH THE QUEBEC LAW ON REGISTRATION AND COMPULSORY NO-FAULT INSURANCE.

4. EMBASSY IS REQUESTED TO MAKE REPRESENTATION TO THE APPROPRIATE CANADIAN AUTHORITIES TO OBTAIN RELIEF FROM THE VEHICLES REGISTRATION FEE AND THE NO-FAULT INSURANCE CHARGE BY THE GOVERNMENT OF QUEBEC AGAINST THE OFFICIAL VEHICLES OF THE U.S. FORCES STATIONED THERE. YOU SHOULD DRAW UPON THE FOLLOWING:

A. REGISTRATION OF OFFICIAL VEHICLES: THE USAF IS EXEMPT UNDER ARTICLE XI, PARA 2(C) OF NATO SOFA, AND SECTION 23 OF THE VISITING FORCES ACT FROM PAYMENT OF VEHICLE REGISTRATION CHARGES. MOREOVER, REGISTRATION IN QUEBEC SHOULD NOT BE REQUIRED IN VIEW OF ARTICLE V, PARA 2 OF NATO SOFA.

B. NO FAULT INSURANCE: WE CONSIDER ARTICLE VIII (CLAIMS) OF NATO STATUS OF FORCES AGREEMENT TO BE THE EXCLUSIVE REMEDY FOR SETTLEMENT OF TORT CLAIMS INVOLVING U.S.

MILITARY VEHICLES IN CANADA. UNDER ARTICLE VIII, CLAIMS ARISING OUT OF OPERATION OF U.S. VEHICLES BY U.S. MILITARY PERSONNEL OR CIVILIAN EMPLOYEES IN SCOPE OF OFFICIAL DUTY ARE ADJUDICATED BY CANADIAN AUTHORITIES APPLYING CANADIAN STANDARDS OF RESPONSIBILITY, AND CANADIAN STANDARDS OF

COMPENSATION. 75 PERCENT OF AMOUNT PAID BY CANADIAN AUTHORITIES IN SATISFACTION OF SUCH CLAIMS IS REIMBURSED BY USG. THE REMAINING 25 PERCENT IS PAID BY THE CANADIAN FEDERAL GOVERNMENT. THIS FORMULA IS IN FACT A COMPREHENSIVE "SELF-INSURANCE" SCHEME WITH BOTH GOVERNMENTS PARTICIPATING IN THE SATISFACTION OF CLAIMS ARISING OUT OF THE OFFICIAL ACTIVITIES OF THE U.S. FORCES IN CANADA. EXPERIENCE IN CANADA, AS WELL AS OTHER COUNTRIES WHERE UNCLASSIFIED

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THIS FORMULA IS APPLIED HAS SHOWN THAT THIS PROCEDURE IS SUPERIOR TO INSURANCE. FOR ONE THING, THE CLAIM IS CONSIDERED, ADJUDICATED, AND PAYED BY AN OFFICIAL OF THE RECEIVING STATE, NOT BY AN INSURANCE ADJUSTER. CLAIMS ARE GIVEN PROMPT ATTENTION BY RECEIVING STATE OFFICIALS WHO ARE PRESUMABLY MOTIVATED BY A DESIRE TO SERVE THE PUBLIC RATHER THAN COMPULSION TO DELAY SETTLEMENT AND DRIVE DOWN THE COST OF AWARDS IN AN ADVERSARIAL PROCEEDING SUCH AS INSURANCE ADJUSTMENTS. IN ANY EVENT, QUEBEC'S COMPULSORY INSURANCE REQUIREMENT IS INCONSISTENT WITH ARTICLE VIII OF NATO SOFA.

5. FYI: IT IS OUR UNDERSTANDING THAT THE CANADIAN MILITARY FORCES ARE ALSO RESISTING PAYMENT OF THE QUEBEC VEHICLE COMPULSORY INSURANCE FEE, AND DID GAIN AN EXTENSION OF ENFORCMENT UNTIL 1 JULY FROM QUEBEC AUTHORITIES. END FYI.
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